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Arrested Israeli Says Superiors Knew of Arms Deal

By Mary Thornton
Washington Post Staff Writer

The retired Israeli general arrested for allegedly conspiring to sell \$2 billion in American weapons to Iran said yesterday that Israel's defense establishment knew of his actions, and he threatened to cooperate with U.S. authorities unless his country intercedes.

Meanwhile, a U.S. official said the general, Avraham Bar-Am, was the No. 2 officer in the Northern Army Command in Israel in 1982, when that command was mainly responsible for the invasion of southern Lebanon.

Before his retirement in 1984, the official said, Bar-Am was chief of staff of the Israeli Defense Forces manpower branch but resigned amid allegations of improper conduct involving promotion practices and distribution of weapons to personal friends. Court papers say he has continued to serve as an adviser to the Northern Army Command.

The Associated Press reported from Jerusalem that the daily newspaper Davar reached Bar-Am by telephone in Bermuda, where he is in custody. "The defense establishment knows about this group, of which I was an adviser," Davar quoted Bar-Am as saying. "And if the state of Israel does not help us, I won't sit here for a month for nothing. I'll give myself up to the United States."

United Press International quoted Bar-Am as saying on Israeli radio: "What we tried to sell was the state's equipment. Let's say there are many people involved in this deal, and in all of this we are only a small part." The broadcast said Bar-Am had a letter from Defense Minister Yitzhak Rabin authorizing him to engage in arms sales but not specifically permitting sales to Iran.

A federal official said Bar-Am's first phone call from jail was to the Israeli defense attache here. A

criminal information filed Tuesday in federal court in Manhattan charged Bar-Am and 16 others with conspiring to buy U.S. arms from other countries and sell them, in violation of an embargo, to Iran. At least nine of the suspects have been arrested.

The Israeli Defense Ministry, after denying that the scheme was government-sanctioned, later said its director general, Menachem Meron, had questioned again every official who could have authorized such an operation. "Israel had no direct, indirect or tacit connection with the matter, and the individuals acted on their own," the ministry said.

The Israeli Embassy here was closed yesterday for the Passover holiday, and diplomatic officials could not be reached for comment. Embassy spokesman Yossi Gal said Tuesday, "The government of Israel has no connection or involvement with the matter."

The schemes, as described in court papers in New York, included five separate conspiracies, one involving the planned sale of \$800 million worth of American missiles, helicopters, tanks and fighter jets that have been delivered to Israel.

Meanwhile, U.S. law enforcement sources maintained that there was circumstantial evidence that the Israeli government may have known of the plot.

The sources said the defendants involved in the Israeli end of the conspiracy told undercover agents that "Israeli agents" advised them "not to enter the United States because it [the conspiracy] was illegal." Also, the sources said, the defendants claimed that they had used the Israeli intelligence service Mossad to check the backgrounds of some of the other conspirators.

One official added that the defendants could not have sold Israeli-owned arms without the government's knowledge. "It's impossible to plan to take that volume and ship it to Iran without someone in authority knowing," he said.

Besides Bar-Am, those indicted were two Israelis, four Americans, four West Germans, two Greeks, a Frenchman, a Briton and two men of unknown nationality.

The court documents charge that one of the conspiracies involved Israelis Guri Eisenberg and Israel Eisenberg who planned to ship arms to Iran through their firm, B.I.T. Co. Ltd., based in Israel.

Iran has been at war with Iraq for nearly six years. Under Shah Mohammad Reza Pahlavi, Iran bought more than \$18 billion worth of U.S. arms in the 1970s, but the Carter administration halted the exports after American hostages were seized in 1979.

Meanwhile, Iran denied yesterday that it had tried to buy \$2 billion worth of American-made weapons through illegal channels.

The official Islamic Republic News Agency, monitored in Nicosia, Cyprus, said the charges were a "hasty scenario by ruling groups in America" intended to cover up Washington's failure to bring down the Libyan government of Col. Muammar Qaddafi.

Staff writers Jonathan Randal and John M. Goshko contributed to this report.

Israeli government denies role in alleged plan to sell Iran arms

Mary Curtius

Special to The Christian Science Monitor

Jerusalem

The Israeli government Wednesday emphatically denied that it was involved in an alleged scheme to illegally sell \$2.5 billion in American arms to Iran.

"Israel has no direct, indirect, or tacit connection or involvement in the matter," said Menachem Maron, director general of the Defense Ministry. His was the third government denial issued Wednesday.

The implications of any official Israeli involvement in such a massive arms sale to Iran would be "horrendous," a Western diplomat said. The United States and many Western nations view Iran's radical, Islamic fundamentalist regime as one of the sponsors of international terrorism. The US has banned the sale or transfer of American weapons to Iran since US diplomats were taken hostage there in 1979, and US law makes it illegal for Israel to transfer any American arms to another country without US permission. Though officially neutral on the Iran-Iraq war, the US has let it be known that a worst-case scenario would be an Iranian victory.

The very size of the alleged arms package demonstrates the unlikelihood of Israeli government involvement, Israeli officials and Western diplomats here say.

"It is ludicrous to maintain that Israel wanted to sell Iran Phantom, Skyhawk, and Hercules aircraft..." wrote Zeev Schiff, defense correspondent for the prestigious daily, Haaretz. "The US knows exactly how many of these aircraft are in Israel's possession, and about any that are removed from the Air Force's order of battle."

Seventeen men — including three Israelis, one of whom is a retired Israeli general — were indicted Tuesday in New York for involvement in the alleged conspiracy to sell fighter planes, tanks, missiles and an array of other sophisticated weapons to the Iranians. If convicted, they could face up to five years in prison.

The retired Israeli general, Avraham Bar-Am, was arrested with others in Bermuda by US officials. In a telephone interview with an Israeli paper, he claimed Wednesday the "Israeli defense establishment" knew of his group's activities. But senior Israeli officials here said no government officials were involved in the alleged plot.

One knowledgeable source said that the government's own inquiry into Bar-Am revealed that he "had a solid back-

ground" in the Israeli Army, but had been turned down for a position he wanted on the nation's police force after retirement. "He has been dealing with this kind of stuff [arms sales] in the margins," the source said.

By the time news of the indictments broke here yesterday morning, the Defense and Foreign Ministries already had conducted an internal investigation and determined that there was no official involvement in the alleged conspiracy, sources said.

The quick response of the government to news of the indictments contrasted sharply to its handling last November of the Jonathan Jay Pollard spy scandal. Mr. Pollard, an American, was arrested in Washington and subsequently charged with passing secret documents to

Israel. Israel at first said nothing of Pollard's arrest, then eventually denied official involvement, and ultimately apologized to the US for the incident.

The Israeli government is worried that damage to Israel's image in American public opinion could be considerable, according to one source, who insisted Israel was innocent in this case.

"The difference between Pollard and this case is that in Pollard, there was substance to the appearance of Israeli involvement. Here the problem is with image, not reality," the source said.

Israel has sold arms in the past to Iran, but government officials say it stopped selling arms or spare parts to Iran after Prime Minister Shimon Peres took office in September 1984. In 1982 former Defense Minister Ariel Sharon admitted Israel had supplied Iran with about \$27 million in weapons.

Mr. Peres, a source said, opposed Israeli arms sales before he became prime minister, and he "was able to convince" Israeli Foreign Minister and former Prime Minister Yitzhak Shamir that an Iranian victory in the Gulf War would pose an enormous threat to Israel.

Iraq recently repeated its assertion that Israel continues to supply Iran with arms. But a Tehran newspaper said Wednesday that Iranian officials "strongly denied" involvement in the deal. Among the weapons to be sold, it is alleged, are 3,700 TOW missiles, 18 F-4 Phantom fighter planes, 30 Sparrow guided missiles, helicopters, and M-48 tanks.